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August 12, 2010

In response to the City's request, ACS supplies the following items requiring greater clarity or consideration:

Answer to question # 2

Additional specificity about the 200 call center jobs, including deadlines for job creation and average wages and commitment to locate in Center Township.

ACS, a Xerox Company (and its Affiliates) has committed to adding 200 jobs within Indianapolis. As ACS indicated in its initial submission and its response to follow-up questions, these jobs could involve call center positions, data entry jobs, technical and information technology roles, and/or management positions. We expect that the seven-year economic impact of those jobs will be somewhere between \$18 million and \$24 million. ACS would propose to fully staff those positions over a two-year period after contract signing. While ACS plans to begin filling positions within one year after contract signing, the actual start date will be dictated by our clients' unique needs.

As we indicated in our response to follow-up questions, these positions would be compensated at market-competitive wages and would receive benefits consistent



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with ACS' overall corporate practice. While the Indianapolis labor market will dictate actual compensation, our data suggests that call center and data entry positions will earn between \$16,000 and \$40,000 per year and information technology and middle management positions will earn between \$45,000 and \$95,000 per year. Our commercially competitive benefits package would be in addition to those base wages.

In terms of selecting the location for our operation, ACS is excited about working with the City to evaluate locations within Center Township. Criteria for final site selection will include facility costs, ability to attract and retain qualified staff, client-specific requirements and approvals, information technology infrastructure/needs, and other relevant business criteria. Given client needs, it is also probable that ACS would have staff located in multiple locations in the City rather than a single site.

In addition, ACS has an industry-leading @Home program that allows qualified staff to work from their homes on ACS-provided technology. These programs are wildly popular with ACS staff because they provide employees with more flexibility and can save them thousands of dollars per year in transportation, childcare, and other costs. Our @Home program also allows ACS to attract and employ a wider range of candidates including stay-at-home parents, the disabled, transit dependent residents, and those providing home health care to family members. ACS wants to ensure that any site selection decisions facilitate our ability to offer this @Home option to our employees.

Finally, it is essential to note that it is ACS' desire that these 200 positions remain in Indianapolis for a very long time. When ACS is able to find great locations and great staff, we typically grow in that location. As such, it is critical that ACS retain the flexibility to ensure that whatever site we select and whatever work we place in the City allows us to deliver the work for our clients at the competitive market rates that they demand. To do otherwise would impair our ability to grow and expand the operation over time.

Answer to question # 3 & 4

Question #3- Specificity regarding your proposal for two separate payments (City recommends changing this bifurcation to \$20mm at closing and \$10mm no later than Jan 30, 2011). Please also clarify how deferred payment will be secured.

Question #4 - Providing in the Concession Agreement that the additional \$2.5mm from ACS resulting from the bifurcated payment will be dedicated to IMPD to support current and future parking enforcement and related downtown public safety needs (in advance of



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projected enforcement revenue sharing). This clarification is necessary for the budgetary and procurement purposes, but is not intended to negatively impact the Concessionaire.

Our ACS red line changes to the Concession Agreement that address questions 3 & 4 follow. Specific to Question 4, ACS is comfortable with the City allocating \$2.5mm out of the \$30mm to the IMPD with no negative impact to ACS.

ARTICLE 2 THE TRANSACTION; CLOSING; CONDITIONS PRECEDENT; COVENANTS

Section 2.1 Grant of Concession. Upon the terms and subject to the conditions of this Agreement, effective at the Time of Closing, (a) the Concessionaire shall pay the City an upfront payment as set forth below of \$_____ in cash (the "Closing Consideration") as an inducement in consideration for signing the Agreement with the Concessionaire, plus the Revenue Share mechanism set forth in Schedule 2.1. Closing Consideration above the fair market value of the assets acquired pursuant to (ii) below is an inducement paid in consideration for the signing of the Agreement and (b) the City shall (i) grant the Concessionaire the exclusive right, concession and franchise for and during the term (the "Term") commencing on the Closing Date and expiring at 11:59 p.m. on the fiftieth (50th) anniversary of the Closing Date (or such later date as may be required to effect a Delay Event Remedy but subject to earlier termination as provided in this Agreement) to provide Metered Parking Services, and in connection therewith (A) to use, operate, manage, redesign, maintain and rehabilitate the Metered Parking System; and (B) subject to the Revenue Share, to collect and retain Metered Parking Revenue and Parking Violation Revenues; and (ii) upon Closing assign, transfer and otherwise convey to the Concessionaire by bill of sale the Metered Parking System Assets, free and clear of any Encumbrances (other than Permitted City Encumbrances) and the Concessionaire shall accept each such grant, assignment, transfer and conveyance (collectively, the "Transaction").

Section 2.1.1 Closing Consideration will be an upfront payment of either of the following upon the election of the City i) US\$ \$27,500,000 (twenty seven million five hundred thousand dollars) upon Closing, or (ii) \$20,000,000 (twenty million dollars) upon Closing and an additional amount of \$10,000,000 (ten million dollars) to be paid to the City on or before January 31, 2011 where the Closing Date occurs prior to December 31, 2010. Should the Closing Date occur after December 31, 2010, the \$10,000,000 payment will be paid to the City on or before calendar 100 days after the Closing Date. If the Concessionaire fails to pay the City the \$10,000,000 payment within five (5) business days after such payment is due to the City as described in Section 2.1 or 2.1.1, then the Concession Agreement will be immediately terminated by the City and all Metered



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Parking Operations and all assets, rights thereof will be reverted back to the ownership of the City, unless (i) the City provides written consent, at the City's sole discretion, to extend the payment due date with the Concessionaire, or (ii) such failure is due to the City refusing payment from the Concessionaire for any reason. In the event of termination due to the Concessionaire failing to pay the City the \$10,000,000 payment subject to the provisions of Section 2.1 or 2.1.1, the Concessionaire will forfeit all previous payments to the City.

Section 2.2 Closing. The closing of the Transaction (the "Closing") shall take place on _____, 2010 or such other date as agreed by the Concessionaire and the City (the "Closing Date"). The Closing shall be held at the offices of Ice Miller LLP, One American Square, Suite 2900, Indianapolis, Indiana, 46282 or such other place agreed to in writing by the City and the Concessionaire. At the Time of Closing, the Concessionaire shall deliver or cause to be delivered to the City same-day funds by wire transfer in the amount of the Closing Consideration, and upon receipt of such payment the Transaction shall be effective. Concessionaire shall wire the Closing consideration to bank account(s) and in increments designated by the City. Upon receipt of the funds described in the preceding sentence, the City shall immediately cancel and return the Closing Deposit and the Cash Deposit (unless such Cash Deposit is applied against the Closing Consideration by the City in accordance with Section 2.3(c)), in accordance with the Concessionaire's instructions.)

Answer to question # 5

Recommendations regarding any downtown green initiatives, including any repurposing of the old meters.

Like Indianapolis, ACS is committed to environmentally sustainable practices. We understand the importance of contributing to the City's downtown green initiatives. To help the City achieve its environmental goals, ACS will work with the City to support the repurpose of a portion of the old meters that will be replacing with new multi-space pay-stations or retrofitted with credit-card accepting IPS meters.

Throughout the nation, cities repurposed old meters, housings, and poles in creative and useful ways. One ACS client, Denver, repurposed outdated meters and housings for use as collection stations for spare change collected to provide social services—such as feeding the homeless. Two other ACS clients, Philadelphia and Washington DC, have repurposed old meter poles as bicycle racks, promoting an environmentally-friendly mode of transportation using creative designs that bring artistic value to city streetscapes.

The meter infrastructure that ACS will provide Indianapolis will also provide a variety of meaningful green benefits. Traditional single space meters are powered by nine volt batteries (up to two to three annually), requiring the disposal of significant amounts of



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hazard material waste each year. The new multi-space and single-space meters that ACS will be installing are powered by solar panels, which not only use a green power source but also serve as a citywide reminder to the public of the City's commitment to the use of renewable energy sources. The IPS single-space meters that ACS anticipates using in less densely populated metered areas are retrofitted onto existing meter poles and housings—reusing existing infrastructure, the ultimate form of conservation.

Should ACS implement vehicle detection technology at any time during the course of the concession agreement, additional benefits associated with the reduction of emissions and fuel consumption may also be realized.

Likewise, ACS has partnered with local companies that share ACS' commitment to the City's green initiatives. Denison-Global has long sought to reduce its carbon footprint through the use of innovative technologies and business processes. Over the past couple of years, Denison has taken steps to introduce a number of ecologically friendly initiatives into their Indianapolis garages and operations. Some examples include:

Patrol Vehicles – Denison intends to replace the vehicles used for on-street ticketing enforcement with vehicles that are much more fuel efficient, such as the “Smart” car, or vehicles that are hybrid or 100% electric. These vehicles will reduce emissions and fuel consumption and serve as a reminder to the general public that the city of Indianapolis places a high level of importance on doing all possible to contribute to the betterment of our environment.

Carbon and “hot-spot” reductions - Denison was the first parking operator in the Indianapolis community to install induction lighting in its parking facilities. This new technology was investigated and compared to traditional lighting methods like metal halide, high-pressure sodium, florescent and incandescent lights. This newer induction lighting method has reduced power consumption by over 50%, while reducing Denison's carbon footprint by thousands of pounds per year.

Solar energy – Denison has investigated the installation of solar panels on the rooftop of its beta site for the induction lights, the Plaza Garage, which serves the Indianapolis Convention Center and many other important city landmarks. Denison's research has shown that it will soon be possible to install solar panels that will power the energy efficient inductions lights that it installed in late 2009.

People Power – Denison has partnered with the organizers of the Cultural Trail program to provide bicycle lockers in its Merchants Garage, allowing those who wish to get to work under their own power to ensure a safe and secure resting place for their bikes. Denison was one of the first to install these lockers in a parking location and has met with



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representatives of Sanyo to discuss the installation of several "electric bicycle depots" in the city of Indianapolis. Although only introduced in the past couple of weeks, it's possible these unique bicycles may also be used for meter enforcement purposes.

Charging Stations – Denison has met with representatives to discuss the installation of charging stations for the ever-increasing number of electrical vehicles which populate their garages. In an effort to assist in the government's effort to increase the number of charging stations in the US, Denison intends to install at least a dozen charging stations in the assets it owns. Denison is committed to the continuing a dialogue with members of the IPL task force working on this project as well as the employees of Energy Systems Network to provide stations that are both affordable and convenient.

Answer to question # 6

Financial commitment to and/or support of downtown community organizations.

All the ACS partners involved in the effort to assist Indianapolis in its parking meter transformation have long been greatly supportive of assorted community activities. Not only have they been generous financial supporters of such causes, but they have contributed countless hours in leadership positions with a wide range of community organizations. These include such groups as the Greater Indianapolis Chamber of Commerce, the Greater Indianapolis Progress Committee, Indianapolis Downtown Inc., the '500' Festival Board and its Foundation, the Indianapolis Convention & Visitors Association, Indiana State Leadership Breakfast, Station WFYI (our PBS affiliate), the Methodist Health Foundation, the Family Service Association, the President Benjamin Harrison Home, and Indiana State Fair, among many others.

Among recipients of significant financial gifts from ACS partners include United Way of Central Indiana, the United Negro College Fund, the American Cabaret Theater, Light of the World Christian Church, both the Boy Scouts and Girl Scout councils, the Simon Youth Fund, Independent Colleges & Universities Foundation, 100 Black Men, Center for Leadership Development, Sisters of St. Benedict, National Association Women Business Owners (NAWBO), Indiana Sports Challenge, Gleaners Food Bank, Indianapolis Urban League "Back Pack Back to School Block Party", and the Special Olympics of IN for the Midwest Sports Fest as well as many of the organizations in which they provide leadership as officers and board members. In short, ACS partners are strong believers in corporate social responsibility and manifest that belief both in financial gifts and personal service.

Answer to question # 7

Please summarize minimum goals you are willing to commit to with respect to minority business enterprises ("MBEs"), women-owned business enterprises ("WBEs"), veteran-owned business enterprises ("VBEs") and local firms. For example, in the recent

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wastewater deal, the minimum annual goal agreed to was MBE (15%), WBE (8%) and VBE (3%) of addressable spending.

From the initial qualifications phase, the ACS Team has included the experienced local partners of Denison Global LLC, Evens Time, Inc. and Sease Gerig & Associates. We pride ourselves on working with local firms and fostering their growth. ACS is committed to maintaining disadvantaged businesses and will take best efforts to achieve a minimum annual goal of MBE (15%), WBE (8%) and VBE (3%) of addressable spending.